

WHAT IS CLAIMED IS:

1 1. A method of operating a simulated trading system, comprising the steps
2 of:

3 setting up an account with a predefined portfolio of nonzero value for each of a
4 plurality of participants;
5 accepting trades from the plurality of participants;
6 applying the trades to the portfolios of the trader participants; and
7 awarding each participant an amount that is a function of their portfolio's
8 performance over an investment period.

1 2. The method of claim 1, wherein the step of setting up an account is a
2 step of setting up an account with a portfolio of a predefined cash amount.

1 3. The method of claim 1, wherein an amount awarded at the end of the
2 investment period is all of the net profits the participant made during the investment
3 period.

1 4. The method of claim 1, wherein an amount awarded at the end of the
2 investment period is a percentage of less than 100% of the net profits the participant made
3 during the investment period.

1 5. The method of claim 1, wherein an amount awarded at the end of the
2 investment period is all of the net profits the participant made during the investment
3 period up to a predetermined maximum award.

1 6. The method of claim 1, further comprising a step of executing trades
2 made by the participants with the traded securities held in the name of a system operator
3 or the participants.

1 7. The method of claim 1, further comprising a step of offsetting risk to a
2 system operator by one or more of sponsorships, advertising and participant fees.

1 8. The method of claim 1, further comprising the steps of:
2 accounting for the trades as if the participants made the trades with some
3 predetermined delay; and
4 executing hedging transactions in response to participant trades.

1 9. The method of claim 8, wherein the predetermined delay is a delay to
2 the market close.

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